

Conference Engrossed

State of Arizona  
Senate  
Forty-sixth Legislature  
First Regular Session  
2003

CHAPTER 251

**SENATE BILL 1168**

AN ACT

AMENDING SECTIONS 9-467, 11-321, 42-11102, 42-13254, 42-15101 AND 42-16051,  
ARIZONA REVISED STATUTES; RELATING TO COUNTY ASSESSORS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 9-467, Arizona Revised Statutes, is amended to  
3 read:

4 9-467. Building permits; issuance; distribution of copies;  
5 subsequent owner

6 A. Any city or town requiring the issuance of a building permit shall  
7 transmit one copy of the permit to the county assessor and one copy to the  
8 director of the department of revenue. Permit copies shall provide the  
9 permit number, issue date and parcel number. On final inspection THE  
10 ISSUANCE OF THE CERTIFICATE OF OCCUPANCY OR THE CERTIFICATE OF COMPLETION OR  
11 ON THE EXPIRATION OR CANCELLATION OF THE PERMIT, the assessor and the  
12 department of revenue shall be notified in writing OR IN ELECTRONIC FORMAT  
13 of the permit number, parcel number, issue date and completion date.

14 B. If a contractor is employed for any construction exceeding the cost  
15 of ten thousand dollars, a building permit may not be issued unless the  
16 contractor holds a valid privilege tax license issued pursuant to section  
17 42-5005 for engaging or continuing in the business of contracting.

18 C. If a person has constructed a building or an addition to a building  
19 without obtaining a building permit, a city or town shall not require a  
20 subsequent owner to obtain a permit for the construction or addition done by  
21 the prior owner before issuing a permit for a building addition except that  
22 nothing in this section shall be construed as prohibiting the enforcement of  
23 an applicable ordinance or code provision which affects the public health or  
24 safety.

25 Sec. 2. Section 11-321, Arizona Revised Statutes, is amended to read:

26 11-321. Building permits; issuance; distribution of copies;  
27 subsequent owner

28 A. Except in those cities and towns which have an ordinance relating  
29 to the issuance of building permits, the board of supervisors shall require  
30 a building permit for any construction of a building or an addition thereto  
31 exceeding a cost of one thousand dollars within its jurisdiction. The  
32 building permit shall be filed with the board of supervisors or its  
33 designated agent.

34 B. If a contractor is employed for any construction exceeding the cost  
35 of ten thousand dollars, a building permit may not be issued unless the  
36 contractor holds a valid privilege tax license issued pursuant to section  
37 42-5005 for engaging or continuing in the business of contracting.

38 C. Where deemed of public convenience, the supervisors shall permit  
39 the application for and the issuance of building permits by mail.

40 D. One copy of the building permit required by the terms of subsection  
41 A of this section shall be transmitted to the county assessor and one copy  
42 to the director of the department of revenue. The permit copy provided to  
43 the assessor and the department of revenue shall have the permit number, the  
44 issue date and the parcel number for which the permit is issued. On final  
45 inspection THE ISSUANCE OF THE CERTIFICATE OF OCCUPANCY OR THE CERTIFICATE

1 OF COMPLETION OR ON THE EXPIRATION OR CANCELLATION OF THE PERMIT, the  
2 assessor and the department of revenue shall be notified in writing OR IN  
3 ELECTRONIC FORMAT of the permit number, parcel number, issue date and  
4 completion date.

5 E. If a person has constructed a building or an addition to a building  
6 without obtaining a building permit, a county shall not require a subsequent  
7 owner to obtain a permit for the construction or addition done by the prior  
8 owner before issuing a permit for a building addition except that nothing in  
9 this section shall be construed as prohibiting the enforcement of an  
10 applicable ordinance or code provision which affects the public health or  
11 safety.

12 Sec. 3. Section 42-11102, Arizona Revised Statutes, is amended to  
13 read:

14 42-11102. Exemption for government property; application of  
15 procedural provisions

16 A. Federal, state, county and municipal property is exempt from  
17 taxation, including:

18 1. Property that is owned by a nonprofit organization but is used by  
19 this state or a political subdivision during the entire tax year exclusively  
20 for a governmental activity.

21 2. Property that is the subject of a lease-purchase agreement that is  
22 authorized by law AND in which this state or a political subdivision is the  
23 lessee-purchaser and the property is used by this state or a political  
24 subdivision during the entire taxable year exclusively for a governmental  
25 activity.

26 3. Improvements that are placed on public lands held under grazing  
27 permits, the title to which passes to the federal government.

28 B. Article 4 of this chapter does not apply to the exemption from  
29 taxation for federal, state, county and municipal property.

30 C. Notwithstanding subsection A of this section relating to state  
31 property, property that is owned by the Arizona state retirement system, the  
32 corrections officer retirement plan, the public safety personnel retirement  
33 system or the elected officials' retirement plan, that is not used during the  
34 entire taxable year exclusively for a governmental activity and that is  
35 acquired either by foreclosure of an authorized investment or for the  
36 purposes of producing income for the system or plan is subject to either a  
37 government property lease tax under chapter 6, article 5 of this title or,  
38 if a government property lease tax is not paid or is not economically  
39 feasible, to voluntary contributions of money to the county, municipality,  
40 school district, AND community college district and any other special taxing  
41 district in which the property is located in lieu of taxes otherwise levied  
42 by those entities. The system or plan may not continue to hold title to the  
43 property as an authorized investment under title 38 unless a tax or voluntary  
44 contribution is paid pursuant to this subsection. On or before April 1 of  
45 each year the plan or system shall notify the county assessor of the county

1 in which the property is located whether a government property lease tax or  
2 voluntary contribution will be paid. If a tax is not economically feasible,  
3 the county assessor may require the plan or system to pay voluntary  
4 contributions. If the system or plan pays a voluntary contribution:

5 1. The assessor shall determine the full cash value of the property  
6 at market value and shall transmit that determination to the board of  
7 supervisors on or before the third Monday in June.

8 2. On or before the third Friday in September the assessor shall  
9 compute the contribution to be made based on the determined valuation using  
10 the method of assessment applied in assessing ad valorem taxes of properties  
11 of similar character and devoted to the same use in the county for the  
12 current tax year.

13 3. The assessor shall:

14 (a) Submit the computation of the contribution to the board of  
15 supervisors at the same time that the assessor submits the assessment roll.

16 (b) Notify the county school superintendent of the amount of the  
17 contribution.

18 4. The plan or system shall pay one-half of the amount determined not  
19 later than the first Monday in November and the other one-half not later than  
20 the first Monday in May of the next year.

21 5. The county treasurer shall distribute the monies received to the  
22 various taxing jurisdictions in the same manner as property taxes are  
23 distributed.

24 6. Any person, public official or taxing entity that is not satisfied  
25 by a determination under this subsection has the same remedies provided by  
26 this title or may file a civil action to determine the correct amount due.  
27 In any such action the only issue shall be the correctness of the computation  
28 of the amount due.

29 D. NOTWITHSTANDING SUBSECTION A, IF PERMANENT IMPROVEMENTS ARE  
30 CONSTRUCTED ON LAND OWNED BY AND LEASED FROM AN AGRICULTURAL IMPROVEMENT  
31 DISTRICT ESTABLISHED PURSUANT TO TITLE 48, CHAPTER 17, AND THE IMPROVEMENTS  
32 ARE NOT OTHERWISE ENTITLED TO ANY CONSTITUTIONAL EXEMPTION FROM PROPERTY  
33 TAXATION, THEN THE IMPROVEMENTS ARE SUBJECT TO TAXATION IN THE NAME OF THE  
34 LESSEE OR SUBLESSEE IN THE SAME MANNER AS OTHER PROPERTY USED FOR SIMILAR  
35 PURPOSES.

36 Sec. 4. Section 42-13254, Arizona Revised Statutes, is amended to  
37 read:

38 42-13254. Date of issue; effective date

39 A. The department shall issue an equalization order no later than  
40 January 15 of the valuation year.

41 B. The equalization order is for the valuation year in which the order  
42 is issued.

43 C. The assessor shall not issue a notice for property affected by the  
44 equalization order pursuant to section 42-15101 until the assessor has  
45 complied with the equalization order issued pursuant to this article and the

1 compliance is confirmed by the department, unless the assessor has filed an  
2 appeal with the court pursuant to section 42-16212. On a showing of good  
3 cause, the department may extend the date for mailing ISSUING the notice of  
4 valuation under section 42-15101 for not more than fifteen days.

5 Sec. 5. Section 42-15101, Arizona Revised Statutes, is amended to  
6 read:

7 42-15101. Annual notice of full cash value

8 A. Except as provided by section 42-13254, on any date before March  
9 1 of each year the county assessor shall notify each owner of record, or  
10 purchaser under a deed of trust or an agreement of sale, of property that is  
11 valued by the assessor as to the property's full cash value and the limited  
12 property value, if applicable, to be used for assessment purposes.

13 B. The notice under this section shall be in writing and SHALL BE  
14 mailed, DELIVERED BY COMMON CARRIER OR UPON REQUEST OF THE TAXPAYER  
15 TRANSMITTED ELECTRONICALLY, to the person's last known mailing, DELIVERY OR  
16 ELECTRONIC address. With respect to any property transferred by a  
17 beneficiary deed pursuant to section 33-405, until the county assessor is  
18 notified by the beneficiary ~~after the death of the owner of a~~ IN WRITING,  
19 ACCOMPANIED BY A COPY OF THE LAST SURVIVING OWNER'S CERTIFIED DEATH  
20 CERTIFICATE AND THE change of address, mailing of the notice to the last  
21 known address of the deceased owner is deemed a mailing to the beneficiary's  
22 last known mailing, DELIVERY OR ELECTRONIC address as required by this  
23 section.

24 C. On the same date each year the assessor shall certify to the board  
25 of supervisors and the department the date on which all notices under this  
26 section were mailed.

27 D. The director may extend the final date for mailing notices beyond  
28 March 1 for a period of not more than thirty days for delays caused by an act  
29 of God, flood or fire. If the director extends the mailing date, the  
30 extension applies to all property valued by the assessor.

31 E. After the mailing date of the notice any person who owns, claims,  
32 possesses or controls property that is valued by the assessor may inquire of  
33 and be advised by the assessor as to the valuation of the property determined  
34 by the assessor, but the assessor shall not change the roll except as  
35 provided by chapter 16, article 2 of this title or as otherwise provided by  
36 law.

37 Sec. 6. Section 42-16051, Arizona Revised Statutes, is amended to  
38 read:

39 42-16051. Petition for assessor review of improper valuation or  
40 classification

41 A. An owner of property which in the owner's opinion has been valued  
42 too high or otherwise improperly valued or listed on the roll may file a  
43 petition with the assessor on a written form prescribed by the department.

44 B. The petition shall state the owner's opinion of the full cash value  
45 of the property and substantial information that justifies that opinion of

1 value for the assessor to consider for purposes of basing a change in  
2 classification or correction of the valuation. For purposes of this  
3 subsection, the owner provides substantial information to justify the opinion  
4 of value by stating the method or methods of valuation on which the opinion  
5 is based and:

6 1. Under the income approach, including the information required in  
7 section 42-16052.

8 2. Under the market approach, including the full cash value of at  
9 least one comparable property in the same geographic area or the sale of the  
10 subject property.

11 3. Under the cost approach, including the cost to build or rebuild the  
12 property plus the land value.

13 C. The petition may include more than one parcel of property if they  
14 are part of the same economic unit according to department guidelines or if  
15 they are owned by the same owner, have the same use, are appealed on the same  
16 basis and are located in the same geographic area, as determined pursuant to  
17 department guidelines, and are on a form prescribed by the department.

18 D. The petition shall be filed within sixty days after the date the  
19 assessor mailed, DELIVERED BY COMMON CARRIER OR TRANSMITTED ELECTRONICALLY,  
20 the notice of valuation under section 42-15101. United States postal service  
21 postmark dates are evidence of the date petitions were filed for purposes of  
22 this subsection.

APPROVED BY THE GOVERNOR MAY 22, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 22, 2003.

Passed the House April 15, 20 03,

by the following vote: 52 Ayes,

4 Nays, 4 Not Voting

Josh Flake  
Speaker of the House

Norman L. Moore  
Chief Clerk of the House

Passed the Senate March 17, 20 03,

by the following vote: 16 Ayes,

14 Nays, 0 Not Voting

Ken Bennett  
President of the Senate

Charmine Billington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

       day of       , 20       ,

at        o'clock        M.

        
Secretary to the Governor

Approved this        day of

      , 20       ,

at        o'clock        M.

        
Governor of Arizona

S.B. 1168

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this        day of       , 20       ,

at        o'clock        M.

        
Secretary of State

HOUSE FINAL PASSAGE  
as per Joint Conference

Passed the House May 15, 2003,

by the following vote: 48 Ayes,

0 Nays, 12 Not Voting

Jake Flake  
Speaker of the House

Sorman L. Moore  
Chief Clerk of the House

SENATE FINAL PASSAGE  
as per Joint Conference

Passed the Senate May 6, 2003,

by the following vote: 30 Ayes,

0 Nays, 0 Not Voting

Ken Fleneth  
President of the Senate

Charmine Bellington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor

this 16 day of May, 2003

at 8:17 o'clock A M.

Sandra Chang  
Secretary to the Governor

Approved this 22 day of

May, 2003,

at 3:10 o'clock P. M.

Jon Kyl  
Governor of Arizona

S.B. 1168

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 22 day of May, 2003,

at 4:17 o'clock P. M.

Janice K. Brewer  
Secretary of State